



ACTUATE
The **BIRT** Company™

Q3 2014 Earnings Call

Safe Harbor Statement

The statements contained in this presentation that are not purely historical are forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These include statements regarding Actuate's expectations, beliefs, hopes, intentions or strategies regarding the future.

All forward looking statements in this presentation are based upon information available to Actuate as of the date hereof, and Actuate disclaims any obligation to update or revise them based on changes in expectations or the circumstances or conditions on which such expectations may be based. Actual results could differ materially from Actuate's current expectations.

Factors that could cause or contribute to such differences include, but are not limited to, our transition to a subscription licensing model, the general spending environment for information technology products and services in general and Application Development, Business Intelligence, Advanced Analytics, Customer Facing Applications, Embedded Analytics, Output Management and Customer Communications Management software in particular, quarterly fluctuations in our revenues and other operating results, our ability to expand our international operations, our ability to successfully compete against current and future competitors, the impact of acquisitions on the Company's financial and/or operating condition including the acquisition of legodo ag in January 2014 and Quiterian S.L. in October 2012, the ability to increase revenues through our indirect channels, general economic and geopolitical uncertainties and other risk factors that are discussed in Actuate's Securities and Exchange Commission filings, specifically Actuate's 2013 Annual Report on Form 10-K filed on March 7, 2014 as well as its quarterly reports on Form 10-Q.

Use of Non-GAAP Financial Measures

The non-GAAP financial measures are included in this presentation to provide an additional analytical tool for understanding the Company's financial and operating performance, and to facilitate comparability of financial results between historical financial reporting periods, among other reasons. Non-GAAP financial measures discussed in this presentation were calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired Quiterian and legodo revenue contracts and by excluding the amortization of purchased technology and other intangible assets related to Actuate's acquisition transactions, restructuring charges, one-time termination costs, one-time professional services fees, stock-based compensation expense, acquisition related expenses, foreign currency exchange gains and losses, an adjustment to the tax provision and other one-time charges. It is management's belief that these items are not indicative of ongoing operations and as a result, non-GAAP financial measures that exclude such items provide additional insight for investors in evaluating the Company's financial and operational performance. However, these non-GAAP financial measures should not be considered in isolation or as a substitute for the Company's GAAP results. Pursuant to the requirements of SEC Regulation G, a detailed reconciliation between the Company's GAAP and non-GAAP financial results is provided in today's press release, as well as in the investor relations section of Actuate's website at www.actuate.com. Investors are advised to carefully review and consider this information strictly as a supplement to the GAAP financial results that are disclosed in the Company's SEC filings.



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Pete Cittadini
President and CEO

- Total non-GAAP revenues of \$24.4 million
- Subscription bookings of \$1.8 million
- Non-GAAP services revenues of \$18.2 million
- Non-GAAP EPS of \$0.01

Non-GAAP financial results are calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, restructuring charges, one-time termination costs, acquisition related costs, foreign currency exchange gains and losses, and adjustment to the income tax provision and other one-time charges. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results is 30%.



Third Quarter Transactions



Deutsche Bank



Deloitte.



*Pacific Gas and
Electric Company®*



Jobvite



Swift  Staley



MARYLAND
PROCUREMENT
OFFICE

Actuate is a Subscription Business

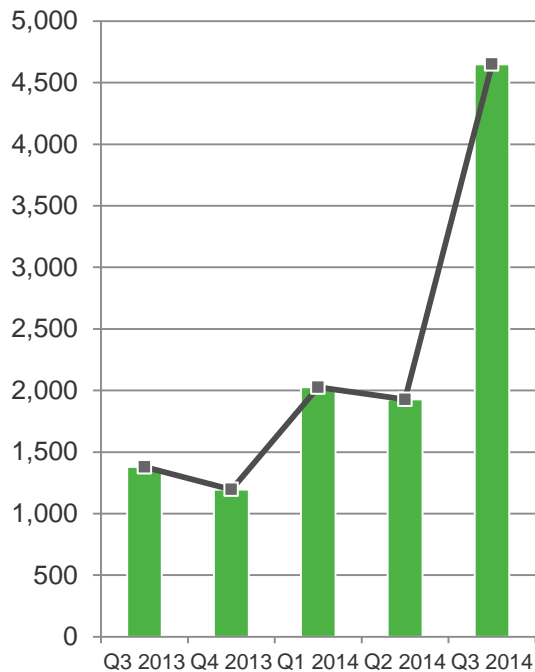
Increase customer/project acquisition and smooth cyclical revenues

- Subscription license only for opportunities identified after July 1
- Incentive for sales reps to convert perpetual license opportunities identified prior to July 1 to subscription
- All perpetual license offers made prior to July 1 will expire on December 31, 2014
- Existing perpetual license projects will be able to add additional perpetual licenses to existing projects

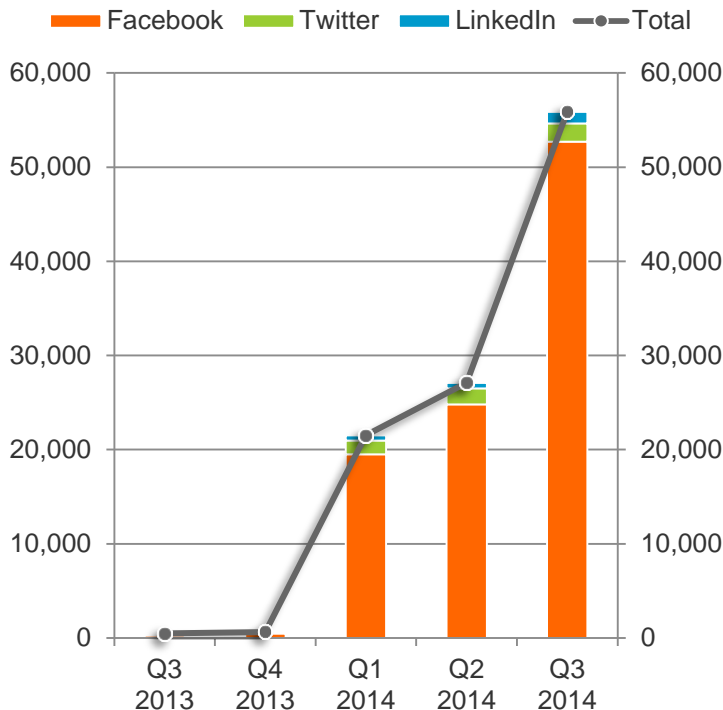


Big Surge in Online Registrations and Engagement from BIRT iHub F-Type Launch on July 10

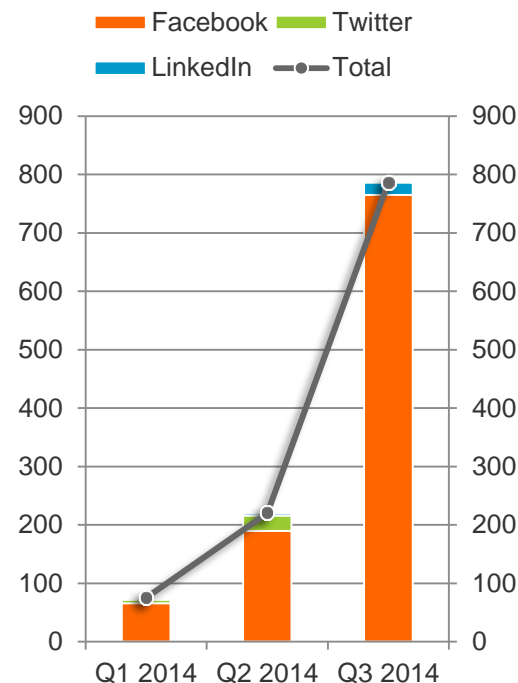
Google PPC Registrations




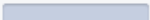


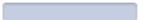


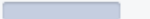


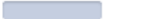










Social Engagement



Social Media Registrations




Actuate is Number 1 in Facebook Engagement

Page	Total Page Likes	New Page Likes	Posts This Week	Engagement This Week
1  Actuate Corporation	65.6K 	▲ 1.8% from last week	12	974 
2  SAS Software	60.2K 	▲ 0.9% from last week	11	291 
3  MongoDB	53.4K 	▲ 0.5% from last week	1	28 
4  Tableau Software	44.3K 	▲ 1.3% from last week	8	238 
5  Qlik	22.5K 	▲ 0.3% from last week	9	326 
6  MicroStrategy	14.5K 	▲ 0.2% from last week	2	20 
7  TIBCO Jaspersoft	2.1K 	▲ 0.1% from last week	6	6 

**For week ending
Nov 2, 2014**

10 pages of Google Results
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Creating Users and User Groups on the BIRT iHub F-Type ... And if you haven't
downloaded our #FreeBIRTServer yet - Join developers taking their #BIRT ...

<https://173b3a885fc59f5bedf859faf8dd025b430dfbc2.googledrive.com/...>
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 module\n\nfor(var f in module) {\n\n\nif(\$hw utils.hop(module,f)) {\n\n\n\nif(f) ...

Solid Start for BIRT iHub F-Type

Gain Ubiquity for the Complete BIRT Stack

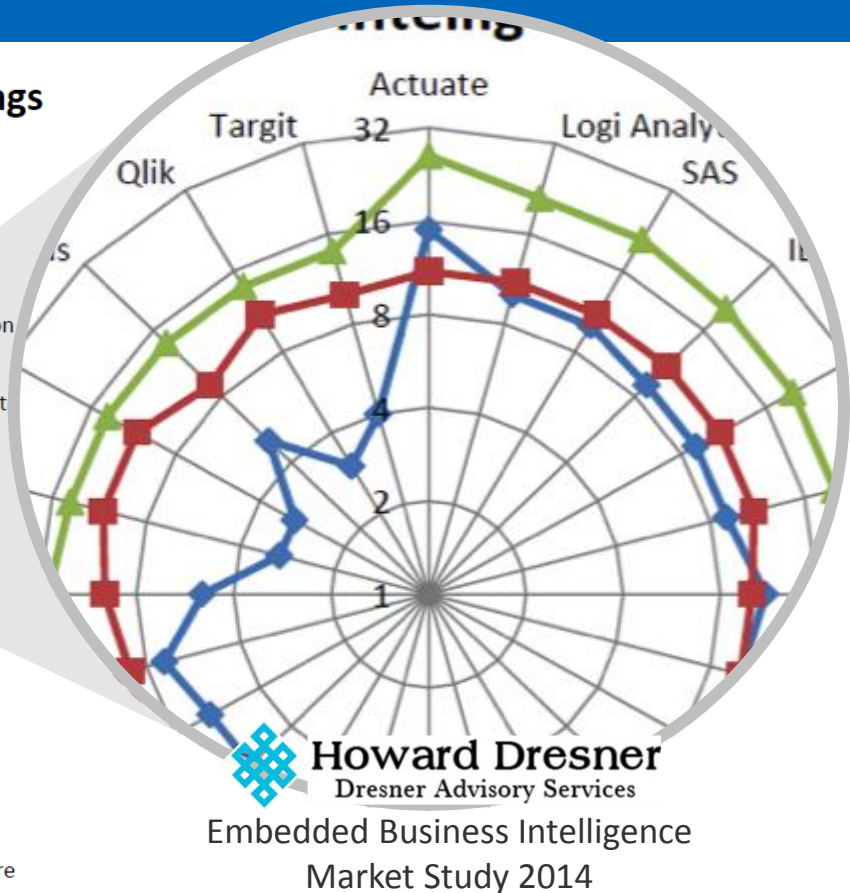
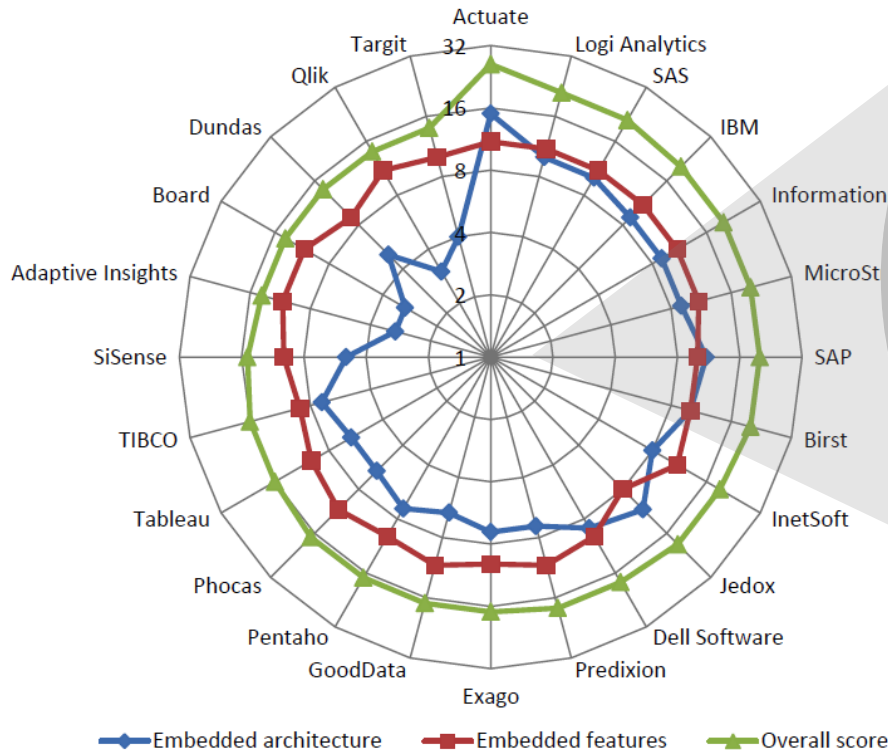
In just under 4 months

- Over 15,000 BIRT iHub F-Type downloads
 - Over 25x greater than iHub evaluation downloads
- Over 6,000 registrations
 - Approximately 60% are new name registrations
 - 10 countries with over 100 registrations
- Over 140 opportunities identified
 - Approximately 70% are new accounts
- Over 75 forecasted opportunities
 - Approximately 60% are new accounts



Actuate is the Leader in Embedded Analytics/BI

Embedded Business Intelligence Vendor Ratings



Solid Foundation for the Next Chapter for Actuate

- Steady increase in subscription business during the transition
- Online/social marketing investments increasing Actuate presence and generating solid leads
- BIRT iHub F-Type identifying new opportunities and on track to gain ubiquity for BIRT stack
- Actuate is the leader in Embedded Analytics/BI

Over 3.5 million BIRT Developers Worldwide





ACTUATE
The **BIRT** Company™

Dan Gaudreau
SVP Operations & CFO

FY14 Quarterly Non-GAAP Revenue and EPS Results



\$ Million	Q1'14	Q2'14	%Seq	Q3'14	%Seq
License Revenues	\$6.2	\$7.3	18%	\$6.2	(15)%
Maintenance Revenues	16.6	17.2	4%	16.7	(3)%
Professional Services Revenues	<u>1.5</u>	<u>2.2</u>	<u>47%</u>	<u>1.5</u>	<u>(32)%</u>
Total Revenues	\$24.3	\$26.7	10%	\$24.4	(9)%
Diluted EPS	(\$0.01)	\$0.02		\$0.01	

- 3Q14 results in-line with expectations
- 3Q14 License Revenues include \$1.1M of subscription revenue
 - Closed 28 subscription transactions Q3 (\$1.8M)
 - Average Contract Values of \$65K
 - Notable subscription customers 3Q14: Deloitte & Touche, CGI Tech, Swift & Staley, Jobvite, Manhattan SW
- Maintenance Revenues up 1% 3Q14 VS 3Q13
- ~ 72% of 3Q14 revenues were ratable and recurring

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FY14 Quarterly Non-GAAP Product Line Revenue Split



\$ Millions	Q1'14	Q2'14	%Seq	Q3'14	%Seq
<u>iHub</u>					
License	\$4.0	\$5.5	38%	\$4.1	(25)%
Services	9.7	10.6	9%	9.6	(9)%
Total iHub	\$13.7	\$16.1	18%	\$13.7	(15)%
<u>iServer</u>					
License	\$2.2	\$1.8	(18)%	\$2.1	17%
Services	8.4	8.8	5%	8.6	(2)%
Total iServer	\$10.6	\$10.6	0%	\$10.7	1%
Total Revenues	\$24.3	\$26.7	10%	\$24.4	(9)%

Non-GAAP revenue was calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired revenue contracts

Geographic Non-GAAP Revenue Split

\$ Millions	Q1'14	Q2'14	%Seq	Q3'14	%Seq
<u>N. America</u>					
License	\$4.2	\$5.3	26%	\$4.5	(15)%
Services	13.2	14.5	10%	13.6	(6)%
Total N. America	\$17.4	\$19.8	14%	\$18.1	(9)%
<u>International</u>					
License	\$2.0	\$2.0	0%	\$1.7	(15)%
Services	4.9	4.9	0%	4.6	(6)%
Total International	\$6.9	\$6.9	0%	\$6.3	(9)%
Total Revenues	\$24.3	\$26.7	10%	\$24.4	(9)%

Non-GAAP revenue was calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired revenue contracts

Non-GAAP OPEX and EPS

(\$ thousands)	Third Quarter			9 Months		
	2014	2013	V%	2014	2013	V%
Total Revenues	\$24,378	\$32,293	(25)%	\$75,425	\$102,148	(26)%
Non-GAAP Operating Expenses						
Cost of License	54	180	(70)%	220	592	(63)%
Cost of Services	3,561	3,950	(10)%	10,826	13,106	(17)%
Sales and Marketing	10,605	13,111	(19)%	32,193	39,521	(19)%
Research and Development	5,579	6,023	(7)%	17,535	18,605	(6)%
General and Administrative	4,245	3,960	7%	13,930	13,368	4%
Total Operating Expenses	24,044	27,224	(12)%	74,704	85,192	(12)%
Income from operations	334	5,069	(93)%	721	16,956	(96)%
Non-GAAP Diluted EPS	\$0.01	\$0.07	(86)%	\$0.01	\$0.24	(96)%

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Balance Sheet/Cash Flow/Employees

- Cash of \$58M at 9/30/14, down \$1M from 6/30/14
- CFFO forecasted to be positive for 2014
- 58 DSO end of 3Q14 vs. 78 end of 4Q13 and 56 2Q14
- Def. Rev. of \$37.7M at 9/30/14, down \$1.6M from 6/30/14
 - Timing of maintenance billings
- 509 Employees at the end of 3Q'14 vs. 596 3Q'13



Comments Regarding 2014

- **Continued acceleration of subscription licensing**
 - **Pipeline trending positively**
- **Majority of license revenue will still be perpetual**
- **No change to 2014 guidance**
 - **Total non-GAAP revenue of \$100M - \$105M**
 - **Non-GAAP profitability, cash flow positive**
- **Continued legacy business declines**

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Actuate Data-Drive Summits and Customer Days

November 6

Santa Clara Marriott



December 3

New York Marriott Marquis



Upcoming Conference

December 11
Benchmark Capital
Micro Cap Discovery
One-on-One Conference
Palmer House Hilton
Chicago



Q & *A*



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